

DDA SUBJECT FILE COPY

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Office of External Development Future Office Space Requirements

FROM: John M. Ray
Director of Logistics

EXTENSION

NO.

OL 13340-87

DATE

7 October 1987

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. DDA/EXA
7D18 Hqs.

08 OCT 1987

OCT 1987

CJ

Drop copy four to MS 10/8
OK

2. ADDN

VJ

agree with OLC comments

3. DDA

09 OCT 1987

WHD

4. DDA/Registry

5.

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13.

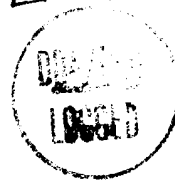
14.

15.

45-17

5 OCT 1987

OL-13340-87



MEMORANDUM FOR: Deputy Director for Administration

FROM: John M. Ray
Director of Logistics

SUBJECT: [redacted] Future Office Space Requirements

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REFERENCE: Memo for ExDir fm C [redacted] dtd 25 Aug 87, [redacted] 071/87, Same Subject

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1. This memorandum is in response to your request for comments from the Office of Logistics (OL) and Office of Information Technology (OIT) on the Office of [redacted] planned move to commercial quarters in FY 88.

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2. In regard to [redacted] cost analysis breakdown, both Real Estate and Construction Division (RECD/OL) and Installations Division, OIT believe the costs for rent (\$432,000), renovations (\$473,000), and communications equipment (\$467,000) are reasonable. Both OL and OIT believe, however, that there are additional factors which, although we may be unaware of in the planning stages, can have a significant impact on the ultimate cost of the project. Following are some of the additional items we may want to consider in planning [redacted] move:

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a. REAL ESTATE (Rent/Renovations)

Rental costs for 18,000 square feet have been averaging approximately \$22 per square foot [redacted] projected \$432,000 for an entire year's rent appears to be reasonable. What we must consider is that [redacted] will not pay rent for an entire year in FY 88; therefore, the sum of \$432,000 is too high. [redacted] probably will not occupy its new office before August or September 1988, thus a better rental cost projection for FY 88 would be approximately \$72,000.

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Even though [redacted] allowed for funds to cover a security deposit in their cost breakdown, a deposit will not be needed if a standard government lease is signed. Once we determine [redacted], we will know if a deposit is required. It is difficult to determine an exact cost for renovations since a build-out must incorporate unique security requirements. Renovations which can be obligated from FY 88 funds, can cost between \$35 and \$40 per square foot for 16,000 usable square feet (or a total cost of

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All portions classified SECRET

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OL 13340-87



S E C R E T

SUBJECT: Office of External Development Future Office Space Requirements

\$560,000 to \$640,000). A landlord generally provides a tenant construction allowance on new office space--we cannot predict the precise amount in advance. A tenant allowance could run as low as 10 percent or as high as 90 percent of the rental costs for one year. [] included a separate cost of \$75,000 for the vault. This is probably unnecessary since the vault is usually part of the construction costs.

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d. TIME FRAME

Both OIT and OL believe that [] relocation into commercial office space can be accomplished by 30 September 1988, provided that planning for the move begins immediately and funding is available in a timely manner.

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3. In view of the foregoing, recommend approval of [] request subject to OL validation of their space requirements, and further recommend that the DDO in coordination with the Comptroller identify funding to support this requirement as soon as possible.

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[]

✓ John M. Ray ✓

SUBJECT: Future Office Space Requirements

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OL/RECD/REI p1 1 Oct 87

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